

STATUS OF PROJECTS IN EXECUTION – FY07
SOPE
MONTENEGRO

Operations Policy and Country Services
OCTOBER 10, 2007



Introduction

The Status of Projects in Execution (SOPE) Report for FY07 provides information on all IBRD/IDA projects that were active as of June 30, 2007. The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. In accordance with the Bank's revised disclosure policy, since FY02, the SOPE Report is available to the public.

The report is intended to bridge the gap in information available to the public between the Project Appraisal Document or Program Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

In addition to the project progress description, the FY07 SOPE report¹ contains project level comparisons of disbursement estimates and actual disbursements, and a table showing the loan/credit/grant amount and disbursements to date.

¹ Notes:

- Amounts and Graphs for loans/credits/grants in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Operations, which provide quick-disbursing financing to support policy and institutional reforms. For these operations, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed prior actions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus will not include a graph.



Country: Montenegro

Project Name (ID): Environment (P079116)

Country: Montenegro

Board Approval Date : 09/11/2003

Midterm Review Date : 03/10/2006

Closing Date : 03/31/2008

Loan/Credit/Grant Number : IDA-38230

Sector(s): Solid waste management(95%), Central government administration(5%)

Theme(s): Pollution management and environmental health(P), Environmental policies and institutions(S), Other urban development(S)

Project Development Objectives:

The main objective of the project is to create ecological and commercially sustainable solid waste collection and disposal services in Montenegro coastal municipalities, needed to maintain a clean, environmentally attractive coastal area.

Progress toward achieving development objective(s):

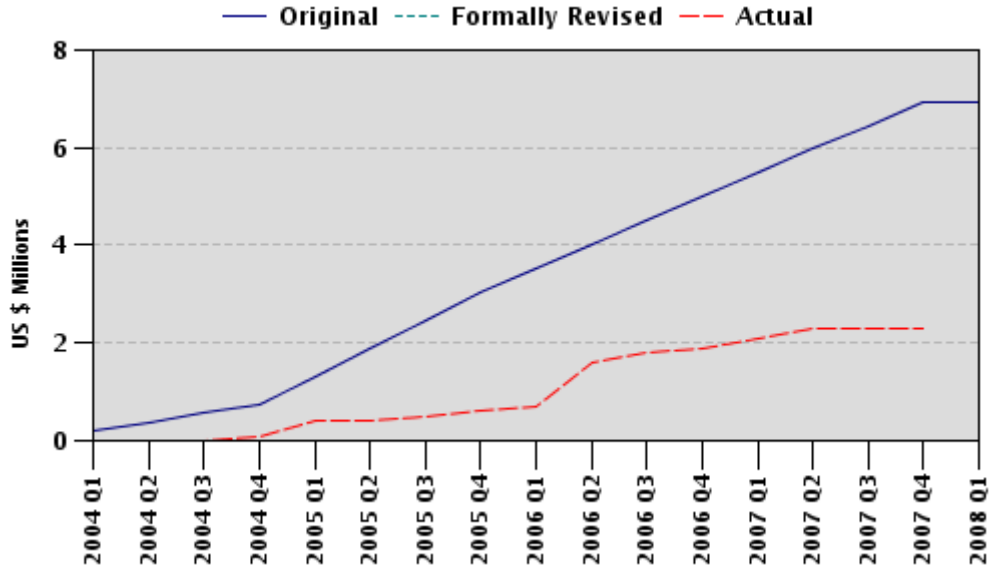
Project performance in FY07 was mixed, with some progress and a number of major setbacks. The Lovanja landfill, established through the project, continued to operate with good results, providing an environmentally acceptable solution to waste disposal for the three cities. However, it was not possible to construct the two new landfills to serve the coastal cities of Bar and Ulcinj, and Kotor, Tivat and Budva, as the concerned municipalities failed to agree on the locations of the proposed landfills. Failure to construct the new landfills which would provide a long-term solution for waste management at the coast, will significantly affect achievement of the project development objectives. Moreover, the long term sustainability of solid waste operations is uncertain due to lack of commitment by the concerned municipalities. In view of the lack of progress, disbursements were suspended at the end of June 2007, pending a decision by the government on the way forward.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38230	Effective	7.58	2.33	5.17	0.00



Status of Projects in Execution - FY07
EUROPE AND CENTRAL ASIA REGION



Project Name (ID): Health System (P082223)

Country: Montenegro

Board Approval Date : 06/08/2004

Midterm Review Date : 02/16/2007

Closing Date : 02/28/2009

Loan/Credit/Grant Number : IDA-39180, JPN-52794, CIDA-55474

Sector(s): Health(55%), Central government administration(30%), Compulsory health finance(10%), Non-compulsory health finance(5%)

Theme(s): Health system performance(P), Administrative and civil service reform(P), Other accountability/anti-corruption(S), Injuries and non-communicable diseases(S)

Project Development Objectives:

The objective is to put in place the first phase of steps towards reform of the health system in Montenegro, giving priority to (a) increasing capacity for policy, planning and regulation; (b) stabilizing health financing; and (c) improving primary health care service delivery.

Progress toward achieving development objective(s):

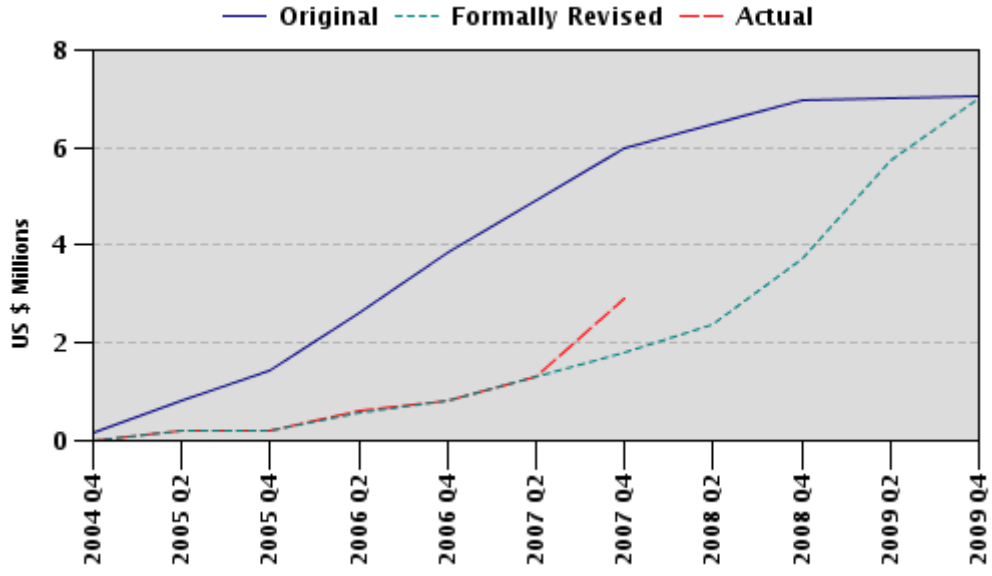
The project is making important contributions to the development of sectoral reforms, particularly with respect to the reform of primary health care. Most of the policy recommendations related to changing the primary health care model to a family medicine one have been accepted and are being monitored and refined as part of a continuous process of quality improvement. The implementation of the primary health care reform in Podgorica is also progressing well, resulting in increased utilization and quality of primary health care services. The Health Insurance Fund is also showing increasing capacity to steer the reform towards a more efficient and performance-oriented health system. The Health Insurance Fund Strategic Development Plan (2007-2012) has also been prepared with support under the project.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39180	Effective	7.43	2.89	4.49	0.00
JPN-52794	Closed	0.45	0.39	0.00	0.06
CIDA-55474	Effective	0.31	0.00	0.31	0.00



Status of Projects in Execution - FY07
EUROPE AND CENTRAL ASIA REGION



Project Name (ID): Education (P084597)

Country: Montenegro

Board Approval Date : 03/31/2005

Closing Date : 12/31/2009

Loan/Credit/Grant Number : IDA-40480, JPN-53327

Sector(s): Primary education(55%), Secondary education(25%), Central government administration(15%), Sub-national government administration(5%)

Theme(s): Education for all(P), Decentralization(S)

Project Development Objectives:

The objective is to strengthen the capacity of the education system to make continuous improvements, especially in the quality of teaching and learning in schools and in the efficient use of budgetary resources.

Progress toward achieving development objective(s):

The project loan became effective in July 2005, and the project has since made significant progress towards the objective. The Reform Implementation Component, which aims at extending the number of primary and general secondary schools included in the government's reform program by providing textbooks, staff professional development, school equipment, renovations, etc.), affected a significant number of schools (27 in 2006/07 and additional 43 in 2007/08). These schools were rehabilitated and provided with new textbooks and learning materials; their teachers were trained for the new curriculum.

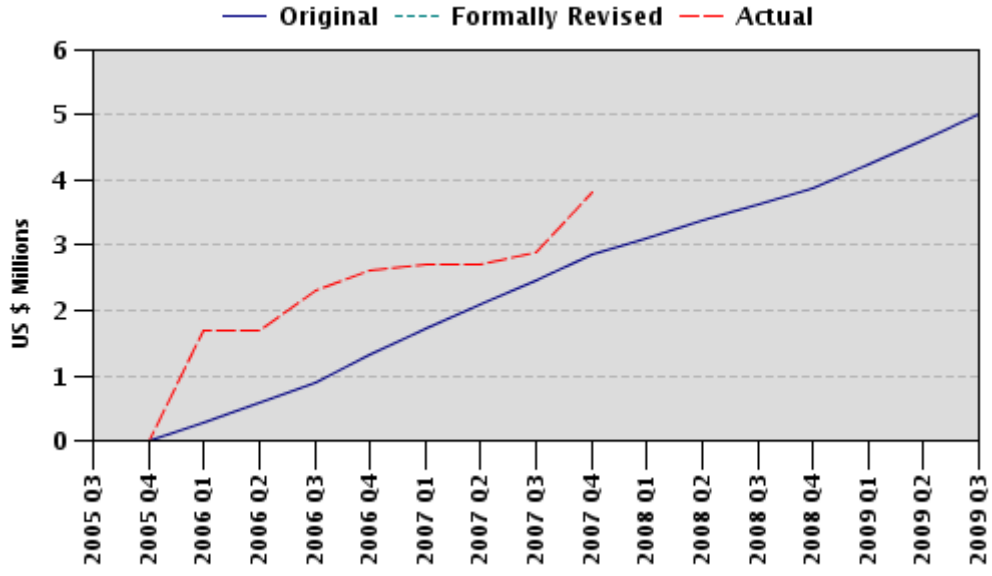
Under the Education Planning and Financing Component, the Ministry of Education and Science piloted the program budget and significantly reduced arrears in the budget well ahead of time (down to 3.6 percent in 2006 from 10 percent in 2005). The Ministry is currently working on a plan for the optimization of the school network and the costing of the next phase of the education reform. Both the optimization of the school network and the costing of the reform will be subject to the mid-term review (planned for October 2007).

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40480	Effective	5.00	3.78	1.12	0.00
JPN-53327	Closed	0.38	0.29	0.00	0.09



Status of Projects in Execution - FY07
EUROPE AND CENTRAL ASIA REGION



Project Name (ID): Pension Administration (P087470)

Country: Montenegro

Board Approval Date : 06/08/2004

Midterm Review Date : 01/22/2007

Closing Date : 09/30/2008

Loan/Credit/Grant Number : IDA-39190

Sector(s): Compulsory pension and unemployment insurance(95%), Non-compulsory pensions, insurance and contractual savings(5%)

Theme(s): Tax policy and administration(P), Administrative and civil service reform(P), Law reform(S), Other public sector governance(S)

Project Development Objectives:

The objectives are to improve the financial sustainability, effectiveness, and efficiency of the pension system.

Progress toward achieving development objective(s):

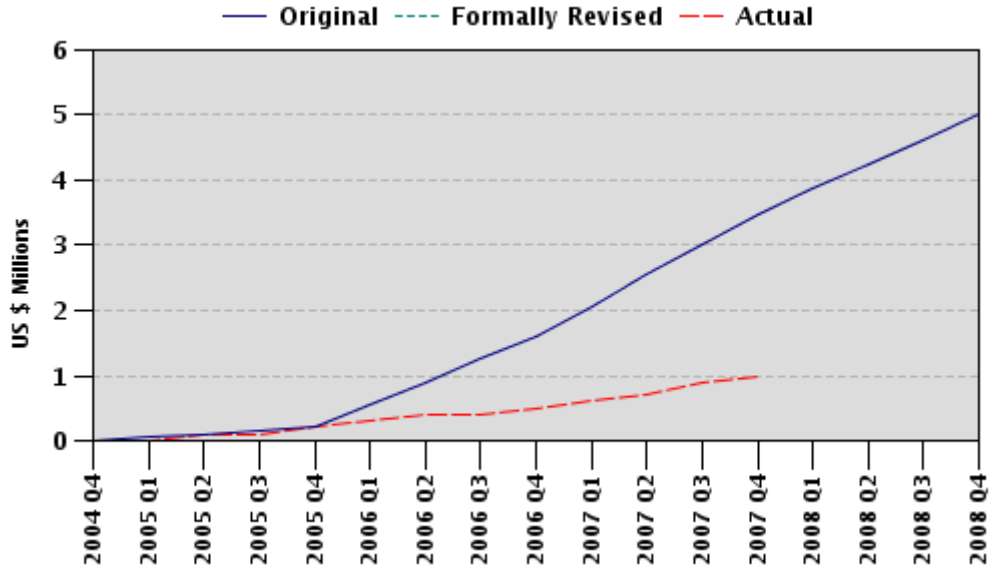
The legislative framework for the new collection system and the voluntary pension law have been enacted, and work is on-going on regulations regarding the voluntary pension system. The actuarial model for the pension system has been developed, and Ministry of Health, Labor, and Social Protection staff are using it to model pension reform options. The development of new business processes in the Department of Public Revenues and the Fund for Pension and Disability Insurance has started. The Fund, however, has been experiencing delays and threatening the achievement of the objectives in that component of the project.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39190	Effective	5.30	1.00	4.28	0.00



Status of Projects in Execution - FY07
EUROPE AND CENTRAL ASIA REGION



Project Name (ID): Sustainable Tourism Development (P093461)

Country: Montenegro

Board Approval Date : 06/12/2007

Closing Date : 09/30/2011

Loan/Credit/Grant Number : IDA-Q5250, IDA-43220

Sector(s): Water supply(89%), Sub-national government administration(8%), Central government administration(3%)

Theme(s): Access to urban services and housing(P), Water resource management(P), Pollution management and environmental health(S), Environmental policies and institutions(S), Biodiversity(S)

Project Development Objectives:

The project development objective is to assist Montenegro in better designing and implementing an integrated coastal zone management approach to reduce coastal degradation and in the same time foster environmentally sound tourism development.

Progress toward achieving development objective(s):

The project loan was not yet effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-Q5250	Closed	1.78	0.00	1.78	0.00
IDA-43220	Not Effective	10.00	0.00	10.00	0.00

